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E-Filed: December 19, 2013

**UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF NEVADA**

In re:	)	Case No.: 13-13969-BTB
	)	
Regal Property Holdings, Inc.	)	Chapter 11
	)	
Richard N. Roberts and Jane S. Roberts,	)	Joint Administration With:
	)	Case No.: 13-13968-BTB
	)	
Debtors.	)	Hearing Date: OST Pending
	)	Hearing Time: OST Pending

**MOTION OF THE DEBTORS FOR THE ENTRY OF AN ORDER  
APPROVING THE SECOND AMENDED JOINT DISCLOSURE STATEMENT**

The above captioned debtors and debtors-in-possession (collectively, the “**Debtors**”) file this motion (the “**Motion**”) for the entry of an order approving their Second Amended Disclosure Statement (the “**Disclosure Statement**”), and in support of the Motion respectfully represent:

**Jurisdiction**

1. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(a). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

**Background**

2. On May 6, 2013 (the “**Petition Date**”), the Debtors each filed voluntary petitions for

1 relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. §§ 101 *et seq.* (as amended,  
2 the “**Bankruptcy Code**”). Pursuant to sections 1107(a) and 1108 of the Bankruptcy Code, the  
3 Debtors continue to operate their business as debtors-in-possession.  
4

5 3. On July 19, 2013, the Debtors filed their joint Chapter 11 plan of reorganization and  
6 related joint disclosure statement.  
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8 4. On July 26, 2013, the Debtors filed their motion seeking an order: (i) approving the  
9 Disclosure Statement; (ii) approving the form of ballots and proposed solicitation and tabulation  
10 procedures for the Joint Plan of Reorganization of the Debtors (as such plan may be amended from  
11 time to time; (iii) fixing the voting deadline with respect to the plan; (iv) prescribing the form and  
12 manner of notice thereof; (v) fixing the last day for filing objections to the Plan; (vi) scheduling a  
13 hearing to consider confirmation of the plan, and (vii) approving The Schwartz Law Firm, Inc. as the  
14 Debtors’ solicitation and tabulation agent (the “**Procedures Motion**”).  
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18 5. On September 27, 2013, the Debtors filed their First Amended Disclosure Statement to  
19 address objections filed by the Internal Revenue Service and Stirling Mortimer Global Property Fund  
20 PCC Limited (“**Stirling**”).  
21

22 6. On October 28, 2013, this Court entered an order approving the first amended  
23 disclosure statement, and approving the Procedures Motion (Docket No. 211). Importantly, this  
24 Court set deadlines to object to the Debtors’ plan for December 13, 2013, and the deadline to file  
25 replies thereto for January 9, 2014, in anticipation of the confirmation hearing set for January 23,  
26 2014.  
27  
28

29 7. On December 12, 2013, the Debtors and Stirling entered into a stipulation to extend  
30 the objection and reply deadlines to December 27, 2013, and January 16, 2014, respectively.  
31

32 8. On December 19, 2013, the Debtors filed their motion under Bankruptcy Rule 9019 to  
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1 approve their settlement agreement (the “**Settlement Agreement**”) with Stirling (the “**9019**  
2 **Motion**”).

3  
4 9. The Settlement Agreement, among other things, required the Debtors to amend their  
5 Plan to change the treatment afforded to Stirling in accordance with the agreement among the parties.  
6 Specifically, the Debtors agreed to allow Stirling’s claim of \$60,000,000, for plan purposes only, and  
7  
8 to receive distributions from the sale of the Debtors’ real properties on a pro rata basis with other  
9  
10 general unsecured creditors.

11 10. Accordingly, on December 19, 2013, the Debtors filed their Second Amended  
12 Disclosure Statement and First Amended Plan of Reorganization (the “**Plan**”) to incorporate the  
13  
14 Settlement Agreement into the Plan and Disclosure Statement.

### 15 **Relief Requested**

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17 11. As the Debtors already obtained approval of their forms of ballots, notices and related  
18 procedures in this case, by this Motion, the Debtors are simply requesting approval of their Second  
19 Amended Disclosure Statement, as modified to reflect the Settlement Agreement with Stirling,  
20 pursuant to sections 105 and 1125 of the Bankruptcy Code, Bankruptcy Rules 2002 and 3017 and  
21  
22 Local Bankruptcy Rule 3017.

### 23 **Legal Argument**

#### 24 **Approval of the Second Amended Disclosure Statement**

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27 12. Pursuant to section 1125 of the Bankruptcy Code, a plan proponent must provide  
28 holders of impaired claims with “adequate information” regarding a proposed plan of reorganization.  
29  
30 Section 1125(a)(1) provides:

31 [A]dequate information” means information of a kind, and in sufficient  
32 detail, as far as is reasonably practicable in light of the nature and history of  
33 the debtor and the condition of the debtor’s books and records, including a

1 discussion of the potential material Federal tax consequences of the plan to  
2 the debtor, any successor to the debtor, and a hypothetical investor typical of  
3 the holders of claims or interest in the case, that would enable such a  
4 hypothetical investor of the relevant class to make an informed judgment  
5 about the plan....

6 11 U.S.C. § 1125(a)(1).

7 13. Thus, a disclosure statement must, as a whole, provide information that is “reasonably  
8 practicable” to permit an “informed judgment” by impaired creditors or shareholders entitled to vote  
9 on the plan. See In re Dakota Rail, Inc., 104 B.R. 138, 142 (Bankr. D. Minn. 1989); In re Copy  
10 Crafters Quickprint Inc., 92 B.R. 973, 979 (Bankr. N.D.N.Y. 1988) (adequacy of disclosure  
11 statement “is to be determined on a case-specific basis under a flexible standard that can promote the  
12 policy of chapter 11 towards fair settlement through a negotiation process between informed  
13 interested parties”).

14 14. The Debtors believe the Disclosure Statement, as amended, contains adequate  
15 information for holders of claims and interests eligible to vote to make an informed decision  
16 regarding the Plan, including a discussion of, among other things: (i) detailed information  
17 concerning the classification and treatment of claims and interests under the Plan; (ii) detailed  
18 information with respect to the voting and confirmation processes associated with the Plan; (iii) the  
19 organization and activities of the Debtors; (iv) a summary of the Plan; (v) the means for  
20 implementation of the Plan; (vi) procedures for disputed claims; (vii) procedures for assumption or  
21 rejection of executory contracts; (viii) conditions precedent to confirmation and the effective date of  
22 the Plan and the Effective Date; (ix) the effect of confirmation of the Plan; (x) the feasibility of the  
23 Plan; (xi) certain tax consequences of the Plan; and (xii) alternatives to the Plan, including an  
24 analysis of the liquidation of the Debtors under chapter 7 of the Bankruptcy Code. The Disclosure  
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1 Statement therefore, contains adequate information, as required by section 1125(a) of the Bankruptcy  
2 Code, to enable each holder of a claim in the Voting Classes (as defined below) to make an informed  
3 on whether to accept or reject the Plan.  
4

5 15. Based upon the foregoing, the Debtors believe that approval of the Disclosure  
6 Statement, as amended, is in the best interests of the Debtors, their estates and their creditors.  
7  
8 Alternatively, given that the Debtors will be requesting an order shortening time for approval of the  
9 Disclosure Statement, as amended, if this Court should determine that conditional approval of the  
10 Disclosure Statement is more appropriate in accordance with Local Rule 3017, the Debtors request  
11 conditional approval of the Disclosure Statement.  
12

13  
14 WHEREFORE, the Debtors respectfully request the Court enter an order granting the relief  
15 requested herein and granting to the Debtors such other and further relief as is just or proper.  
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17 Dated this 19th day of December, 2013.

18 /s/ Samuel A. Schwartz  
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